

FY2016 Third Quarter Consolidated Financial Results [Japanese Standard]

February 8, 2016

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.
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 Scheduled date of filing quarterly securities report: February 8, 2016
 Scheduled beginning date of dividend payment: —
 Preparation of Third quarter presentation materials: Yes
 Holding of Third quarter results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for the Third Quarter of the fiscal year ending March 31, 2016 (April 1, 2015 to December 31, 2015)

(1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of Parent Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	56,861	1.3	6,454	4.7	6,939	6.9	4,706	5.7
Nine months ended December 31, 2014	56,114	12.7	6,166	28.6	6,490	23.1	4,451	5.2

Note: Comprehensive Income FY2016 3Q 3,713 Million yen (-50.6%), FY2015 3Q 7,519 Million yen (13.7%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2015	76.33	76.12
Nine months ended December 31, 2014	72.47	72.15

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2015	105,604	69,036	65.2	1,117.02
As of March 31, 2015	105,126	67,254	63.8	1,088.96

Reference: Shareholders' Equity FY2016 3Q 68,891 Million yen, FY2015 67,104 Million yen

2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	-	-	-	30.00	30.00
Fiscal 2016	-	-	-		
Fiscal 2016 (forecast)				30.00	30.00

Note: Revision of dividend forecast for this period: None

3. Forecast of Consolidated Results for the year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Profit		Profit Attributable to Owners of Parent Company		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2016	78,000	1.4	7,900	0.5	8,700	6.0	6,000	(3.3)	97.31

Note: Revision of forecast of consolidated results: None

4. Other

(1) Changes among significant subsidiaries during the period : None

Note: This refers to addition and deletion in specific subsidiaries with changes in the scope of consolidation during the period.

(2) Adoption of special accounting treatment for quarter financial report : None

Note: This refers to whether these above were used for preparing quarterly consolidated financial statements.

(3) Changes in accounting principles, estimates, and retrospective restatement

1. Changes due to revisions of accounting standards : Yes

2. Changes other than "1" : None

3. Change in accounting estimates : None

4. Retrospective restatement : None

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included) FY2016 3Q: 73,647,321 shares, FY2015: 73,647,321 shares

2. Treasury Stock FY2016 3Q: 11,973,198 shares, FY2015: 12,024,268 shares

3. Average number of shares outstanding FY2016 3Q: 61,655,754 shares, FY2015 3Q: 61,428,729 shares

Status of execution of the quarterly review process of financial statements:

Review procedures under the Financial Instruments and Exchange Act, had been completed at the time of disclosure of this report.

Statement for proper use of business forecast and other special remarks:

The above forecasts and those presented in appended material are based on the information presently available. Actual results may differ from these forecasts due to changes in various factors.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash on hand and at banks	22,868	21,881
Notes and accounts receivable, trade	22,585	22,971
Electronically recorded monetary claims-operating	242	393
Short-term securities	7,200	7,200
Finished goods	2,504	2,387
Work in process	9,318	9,584
Raw materials and supplies	2,705	2,789
Deferred income assets	1,434	938
Other current assets	5,824	4,573
Allowance for doubtful accounts	(69)	(110)
Total current assets	74,614	72,608
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,850	21,856
Accumulated depreciation	(14,161)	(14,386)
Buildings and structures - Net	7,688	7,470
Machinery and vehicles	11,108	12,712
Accumulated depreciation	(6,807)	(6,562)
Machinery and vehicles - Net	4,300	6,149
Land	5,102	5,083
Construction in progress	1,524	1,855
Other	2,767	2,800
Accumulated depreciation	(2,149)	(2,182)
Other - Net	617	617
Total property, plant and equipment	19,233	21,177
Intangible assets	1,121	1,041
Investments and other assets		
Investment securities	5,804	6,405
Insurance reserve fund	3,488	3,355
Net defined benefit assets	519	603
Deferred income taxes	162	190
Other assets	208	280
Allowance for doubtful accounts	(27)	(57)
Total investments and other assets	10,156	10,777
Total fixed assets	30,511	32,995
Total assets	105,126	105,604

(Millions of Yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Accounts payable, trade	9,930	7,456
Electronically recorded obligations-operating	2,769	3,151
Short-term loans payable	391	3,265
Current portion of long-term loans payable	500	—
Non-trade payables	1,212	2,140
Income taxes payable	1,182	800
Advances from customers on contracts	10,799	9,318
Accrued warranty costs	1,479	1,239
Accrued bonuses for employees	1,096	624
Accrued bonuses for directors	58	36
Provision for loss on orders received	80	82
Special suspense account for reduction entry	1,224	357
Other current liabilities	2,604	2,831
Total current liabilities	33,328	31,306
Long-term liabilities		
Long-term loans payable	1,000	1,500
Long-term accounts payable	424	505
Deferred income tax	2,441	2,595
Accrued stocks payment for employees	200	227
Net defined benefit liabilities	102	93
Other long-term liabilities	373	339
Total long-term liabilities	4,543	5,260
Total liabilities	37,871	36,567
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,415	12,416
Retained earnings	44,951	47,706
Treasury stock	(5,188)	(5,166)
Total shareholders' equity	60,008	62,787
Accumulated other comprehensive income		
Net unrealized gains (losses) on other securities	3,056	3,390
Deferred hedge gains (losses)	(211)	28
Foreign currency translation adjustments	3,754	2,214
Remeasurements of defined benefit plans	496	469
Total accumulated other comprehensive income	7,096	6,103
Stock options	149	145
Total net assets	67,254	69,036
Total liabilities and net assets	105,126	105,604

(2) Consolidated Statements of Income

(Millions of Yen)

	Nine month ended December 31, 2014	Nine months ended December 31, 2015
Net sales	56,114	56,861
Cost of sales	43,251	43,100
Gross profit	12,862	13,760
Selling, general and administrative expenses	6,695	7,306
Operating income	6,166	6,454
Non-operating income		
Interest income	91	65
Dividend income	92	118
Gain from redemption at maturity of endowment insurance	28	28
Foreign exchange gain	176	363
Other non-operating income	79	75
Total non-operating income	466	652
Non-operating expense		
Interest expense	27	29
Other non-operating expenses	114	138
Total non-operating expense	142	167
Ordinary profit	6,490	6,939
Extraordinary gain		
Gain on sale of fixed assets	1	3
Gain on insurance income	194	—
Total extraordinary gain	195	3
Extraordinary loss		
Loss on sale of fixed assets	0	2
Loss on disposal of fixed assets	45	13
Other extraordinary loss	0	—
Total extraordinary loss	46	16
Income before income taxes	6,639	6,926
Current	1,605	1,679
Deferred	583	541
Income taxes	2,188	2,220
Net income	4,451	4,706
Profit attributable to owners of parents	4,451	4,706

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine month ended December 31, 2014	Nine months ended December 31, 2015
Net income	4,451	4,706
Other comprehensive income		
Net unrealized gains (losses) on other securities	36	334
Deferred hedge gains (losses)	(149)	239
Foreign currency translation adjustments	3,183	(1,539)
Remeasurements of defined benefit plans	(3)	(27)
Total other comprehensive income	3,067	(993)
Comprehensive income	7,519	3,713
Comprehensive income attributable to shareholders of Aida Engineering	7,519	3,713

(3) Notes to going concern assumption

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

None

(5) Segment Information

Nine month ended December 31, 2014

	Japan	Asia	Americas	Europe	Sub Total	Reconciliation (*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	17,124	11,967	18,054	8,967	56,114	—	56,114
Inter-segment sales	16,344	1,510	697	2,215	20,768	(20,768)	—
Total sales	33,468	13,478	18,752	11,183	76,882	(20,768)	56,114
Segment income	3,969	959	1,253	74	6,257	(90)	6,166

Note:

1. Reconciliation of sales refers to elimination among inter-segment transactions.

Adjustments of segment income arose from elimination among inter-segment transactions.

2. Segment income is adjusted to operating income of consolidated statements of income.

Nine month ended December 31, 2015

	Japan	Asia	Americas	Europe	Sub Total	Reconciliation (*1)	Consolidated Statements of Income(*2)
Sales							
Sales to external customers	19,539	13,342	13,450	10,529	56,861	—	56,861
Inter-segment sales	13,872	3,094	588	494	18,050	(18,050)	—
Total sales	33,411	16,437	14,038	11,024	74,911	(18,050)	56,861
Segment income or loss	3,700	2,059	976	(352)	6,383	71	6,454

Note:

1. Reconciliation of sales refers to elimination among inter-segment transactions.

Adjustments of segment income or loss arose from elimination among inter-segment transactions.

2. Segment income or loss is adjusted to operating income of consolidated statements of income.

2. Supplementary Information

Status of Orders

Orders Receipt and Backlog

Nine months ended December 31, 2015

(Millions of Yen)

	Order Intake		Backlog	
	Amount	Year to year comparison (%)	Amount	Year to year comparison (%)
Japan	24,737	51.4	21,981	15.1
Asia	12,149	(30.7)	11,905	(23.1)
Americas	13,851	(17.9)	12,298	(22.0)
Europe	13,299	88.4	12,923	30.7
Total	64,037	10.8	59,109	(1.9)

Note:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.